

Times are tight.

Just another round of budget cutting.

*If we could just cut the waste,
our problems would be solved.*

Its not just the budget; its growth.

Furlough

Agenda

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- Put the budget in perspective
- What makes this year different?
- Proposals for change
- What does this mean?
- Federal Shutdown

Nothing is Certain

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“Our new Constitution is now established, and has an appearance that promises permanency; but in this world nothing can be said to be certain, except **death and taxes.**”

—Benjamin Franklin, *in a letter to Jean-Baptiste Leroy, 1789*



GLASBERGEN

“My accountant says this is the best way for me to avoid paying taxes until he comes up with a better plan.”

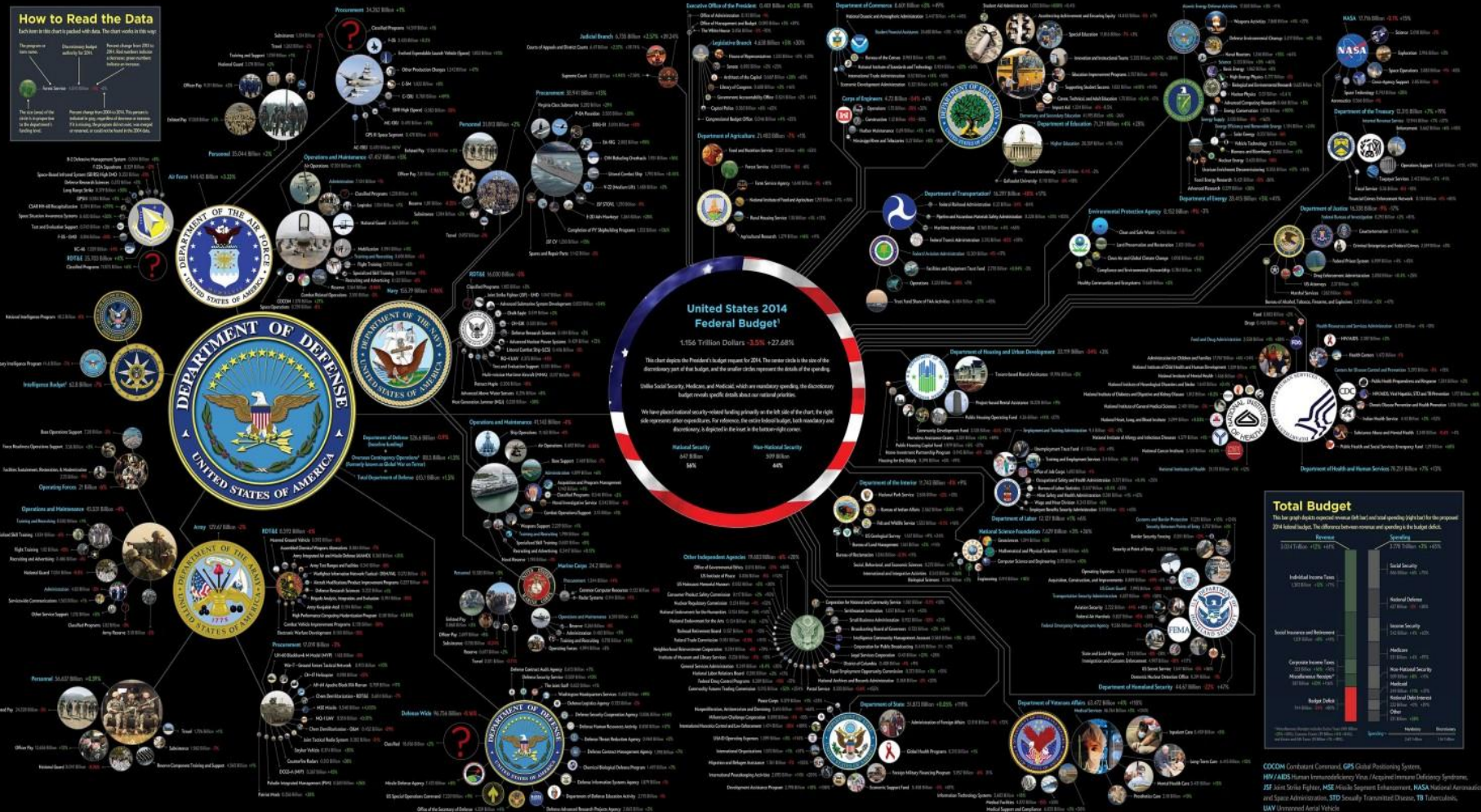
A Visual Guide to Where Your Federal Tax Dollars Go

A Visual Guide to Where Your Federal Tax Dollars Go

Abstract of Fluids: 21-707, 7-8 Nov.

Federal Budget

Each item in this chart is packed with data. The chart works in this way:

[illegible]

2002 US Presidential Election Spw



Footnote 1: A sequester that lowers the discretionary budget cap by \$9.5 billion and direct spending by \$10.5 billion will also take effect in FY 2014 if Congress does not enact deficit-reduction legislation before that time.

General Notes: All figures are in U.S. dollars. These charts may not add up due to rounding, non-federal programs with comparatively small budgets, or the presence of overlapping receipts or fees. In this chart, large blue bars denote a major category and smaller bars denote a subcategory. This data was obtained from the Office of Management and Budget, in the Office of the United States Secretary of Defense, unless otherwise noted. Data in this chart accurately depicts the FY2014 budget request by the President. Codes are used to represent in the total budget by area. Images are used in the public domain or are provided to the file under a CC BY-NC-SA. Many images are courtesy of www.timeplots.com. This content, in any form, may not be duplicated without the express written consent of Timeplots, LLC. Please see www.timeplots.com for sources and more information, or purchase a copy of the product. You have any comments or suggestions for improvement, please email us at info@timeplots.com.

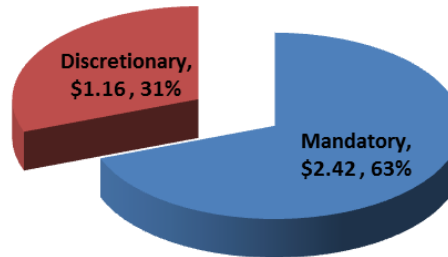
TIMEPLOT
formation graph

Putting the Budget in Perspective

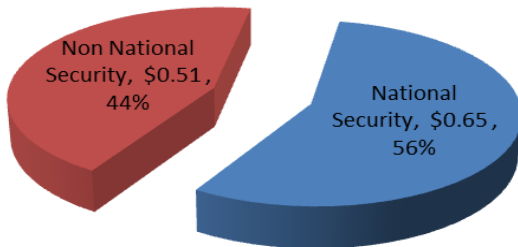
Putting the Budget in Perspective

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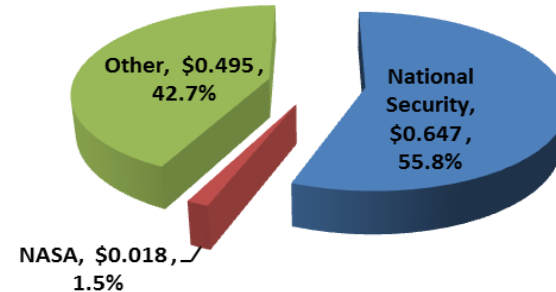
United States of America 2014 Federal Budget \$3.7 Trillion



United States of America 2014 Federal Discretionary Budget \$1.16 Trillion



United States of America 2014 Federal Discretionary Budget \$1.16 Trillion



NASA Budget

Space Technologies
(non-human spaceflight portion)

3%

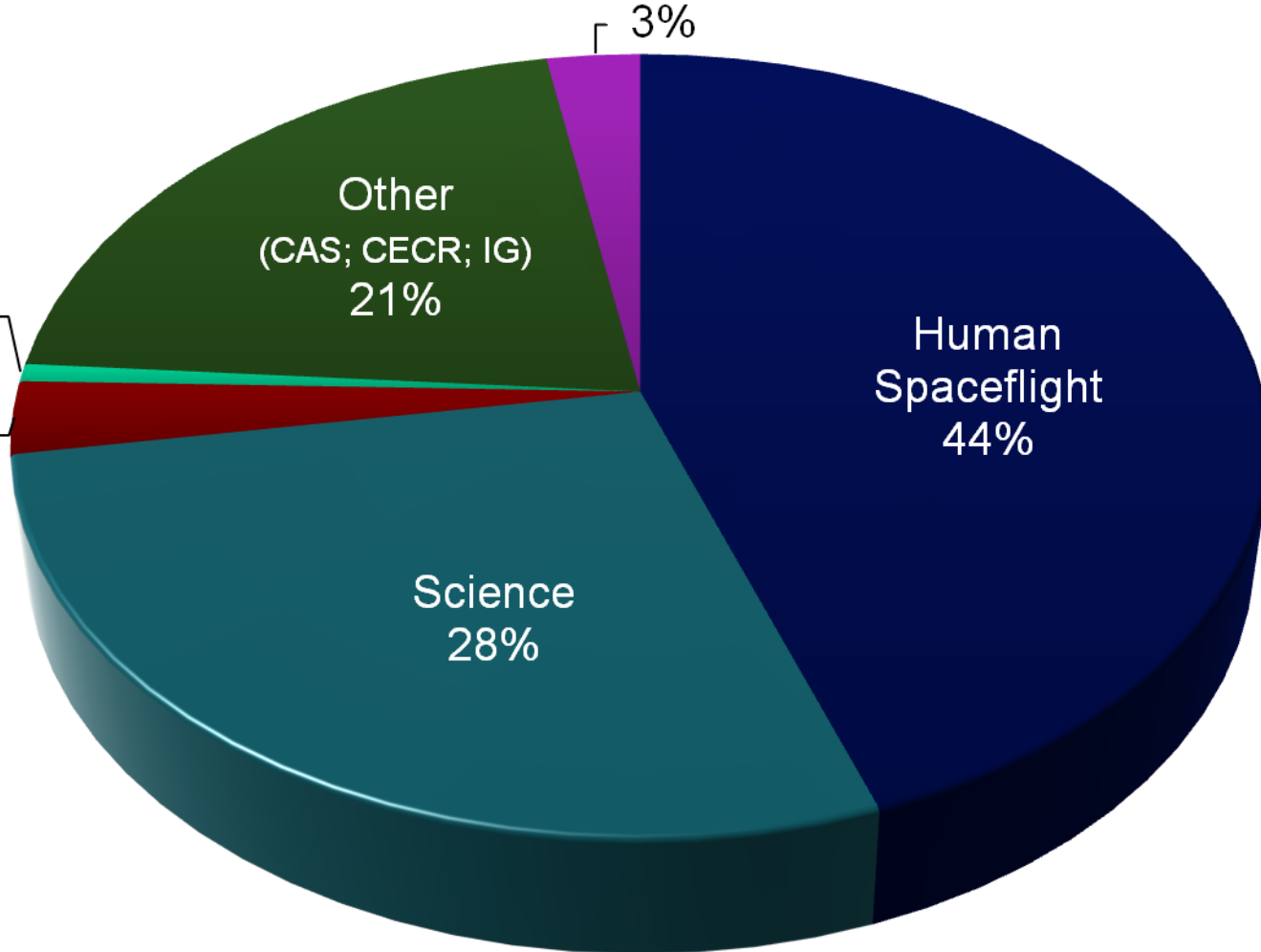
Other
(CAS; CECR; IG)
21%

Education
1%

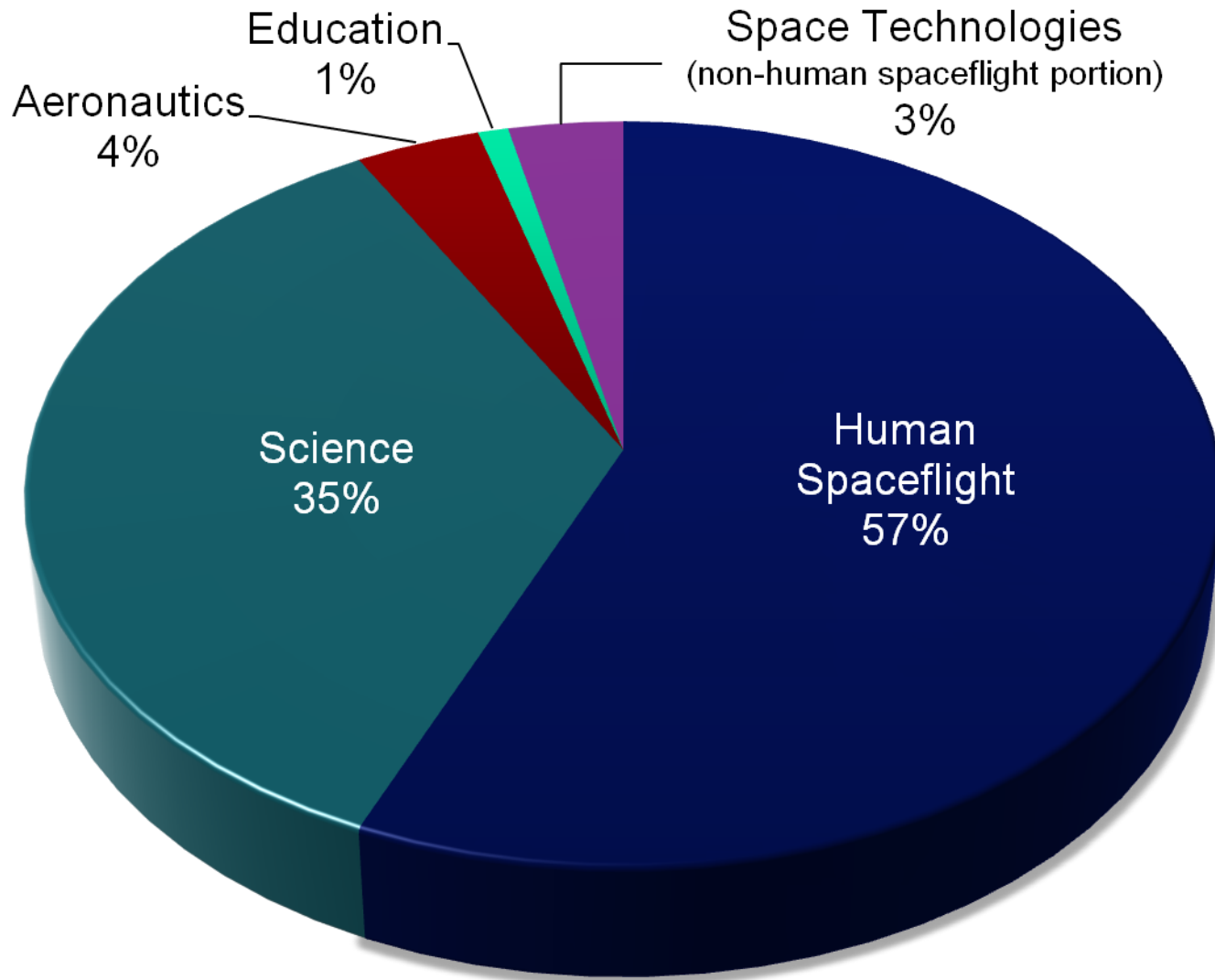
Aeronautics
3%

Human
Spaceflight
44%

Science
28%



NASA Programmatic Budget



What makes this year
different

Current Environment

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- Appropriations Levels: allows agencies to obligate at 100% of the FY 2013 post sequester level, which is a total of \$16.9B for NASA
- Terms and Conditions: clean FY 2014 Continuing Resolution, at current rate, until January 15, 2014. The same terms and conditions that were in the FY 2013 Act still apply.
- Apportionment: OMB granted NASA's request to apportion the CR at the pro-rata rate.

Current Environment

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- NASA normally obligates slowly during the first quarter with resources available under a CR, which would equate to an annual rate of \$15 billion.
- NASA will operate at the account-level controls (except where sub-account appropriations are provided in the FY 13 appropriation).
- NASA will also:
 - Direct programs to protect civil servant workforce, health & safety, and those missions that are either past KDP-C or Operations
 - Direct programs to execute Education & Public Outreach content in accordance with the CO-Stem effort while under the CR.

Sequester Timing

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- Sequester Timing: Sequester that lowers the discretionary budget cap by \$91B and direct spending by 18B will take effect 15 days after Congress adjourns (unless a law is enacted to remove it).
- Expected Sequester Effects: There is much uncertainty about whether a non-defense sequester will occur. Under Congressional Budget Office (CBO) scoring of the House CR, a non-defense sequester would not occur (but a defense one would). Last year, OMB was estimating a sequester level of at least 7.0% below FY13 appropriated (non-sequestered) levels, but several technical factors have occurred to reduce the required cut.
- Bottom line: Since there is uncertainty about final non-defense appropriation levels, there is still uncertainty about whether a sequester would be required.

What can be done?

*The answers are nearly always identical: The government must address all spending and tax categories, **NOW.***



"Whenever something goes wrong, the first question we must ask ourselves is: Can this problem be fixed with duct tape?"

Factoids

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- 2009 was the last time Congress passed a budget resolution
- 2010 Republicans won the house majority, creating a divided Congress
- Current budget panel is the 5th bipartisan attempt in 3 years to address the nation's debt and deficit
- Goal – find a way to ease the impending budget cuts without adding to the deficit
- 2nd installment of sequestration reductions is a drop from \$986 billion in 2013 to \$967 billion in 2014

Obstacles

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- Democrats want to end some corporate tax breaks
- Republicans oppose any changes to the tax code outside a broader deal
- Republicans want to cut spending on entitlement programs
- Democrats oppose entitlement cuts without revenue concessions
- Last-minute pressure to renew expanded federal unemployment benefits
- Labor unions opposed to proposed cuts in federal employees' pensions

Crafting a budget plan

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- FY 2014 Continuing Resolution (P.L. 113-46) extends through January 15, 2014
- CBO reported that the U.S. Treasury Department may be in a position to hold off the need for new borrowing authority until June 2014
- FY 2014 Budget Conference is optimistic about the possibility of reaching a deal within the December 13, 2013 deadline
- Real deadline is January 15th when government funding runs out
- Would another CR obtain the necessary votes?

Search for Common Ground

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1. Medicaid
2. Medicare
3. Other health programs
4. Federal retirement plans
5. Fannie Mae and Freddie Mac
6. Retirement insurance premiums
7. Agriculture subsidies
8. Radio spectrum
9. Supplemental Nutrition Assistance Program

Proposal

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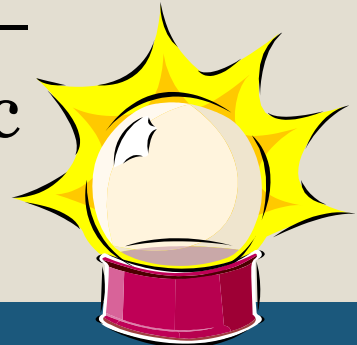
1. Replace or scale back a portion of the FY 2014 automatic sequester cuts
2. Set discretionary spending caps for the remainder of FY 2014 and FY 2015
3. One framework would raise spending for FY 2014 in exchange for an array of other deficit reduction measures
4. Offsets include a mix of non-tax revenue and targeted spending cuts, including
 - a. Federal retirement programs
 - b. Postal service overhaul
 - c. Federal asset sales
 - d. User fee increases

What does this all
mean?

Multi-Year Trends

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- Non-security discretionary will likely trend down.
- Funding may become more unpredictable as broader concerns and competition with other agencies become more the norm.
- Programs that are not meeting objectives may attract even more scrutiny.
- Programs that focus on economic growth – essential to maintaining the U.S. economic position – will be favored.



FY 2014

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- May not get resolution for some time. This is still the first fight of the spending battle (and such battles necessarily affect all parts of the budget).
- Issues include the proper federal role for certain types of spending (*Should the govt be doing it at all?*), effectiveness (*Does it work?*), and benefit to the economy (*Are there broader benefits?*).
- The proposed budgets have included various levels of funding.

NASA

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Three principles explain NASA's budget request:

- Meet the challenge of tough budget times.
- Follow the 2010 Authorization Act.
- Prioritize the safety of the astronauts on the ISS.
- It also holds almost everything else to FY 2013 Auth Act levels (Science, Aero, Education, SLS/MPCV) and reduces CAS.

- **Proposed principles:**
 - Requirements must be in budget, no over-guides for essential items
 - Programs and projects must budget sufficient reserves in all years to contain the impact of “estimate-creep”
 - NASA is in the process of accessing infrastructure and capabilities
- **Key discussion points:**
 - Affordability
 - Federal Workforce
 - Capabilities



**"I met with the budget people and we
agreed that the cheapest way to fix
all of our problems is chocolate."**

Federal Shutdown

Federal Shutdown

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- October 1, 2013 the Federal Government announced they would be shutting down
- Turned into a 16-day government shut down
- Bloomberg News reported it cost the U.S. economy \$24 billion

Federal Shutdown

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- Lessons Learned - Plus
 - Communications
 - FAQs
 - Gathering time
 - Managing facilities
 - Creating dial-ins for information
 - Providing HR POCs
 - Enacting emergency and COOP plans
 - Return to work activities

Federal Shutdown

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- **Lessons Learned - Delta**

- Amount of time provided to officially begin shutdown preparations
- Communications and lack of consistent ways to get information from NASA and between managers and their civil-servant and contractor staff
- Better and more consistent guidance
- More access to information via HR hotlines and data packets that include guidance on local unemployment rules, forms for safety and health, access to Employee Assistance Programs for stress and health management, and home and other contact information for supervisors and colleagues

Federal Shutdown

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- Lessons Learned - Delta
 - Partners, vendors, tenants and others impacted by shut-down need to be considered in the advance and ongoing preparations.
 - IT and System access needs to be improved upon

Federal Shutdown

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- Next Steps

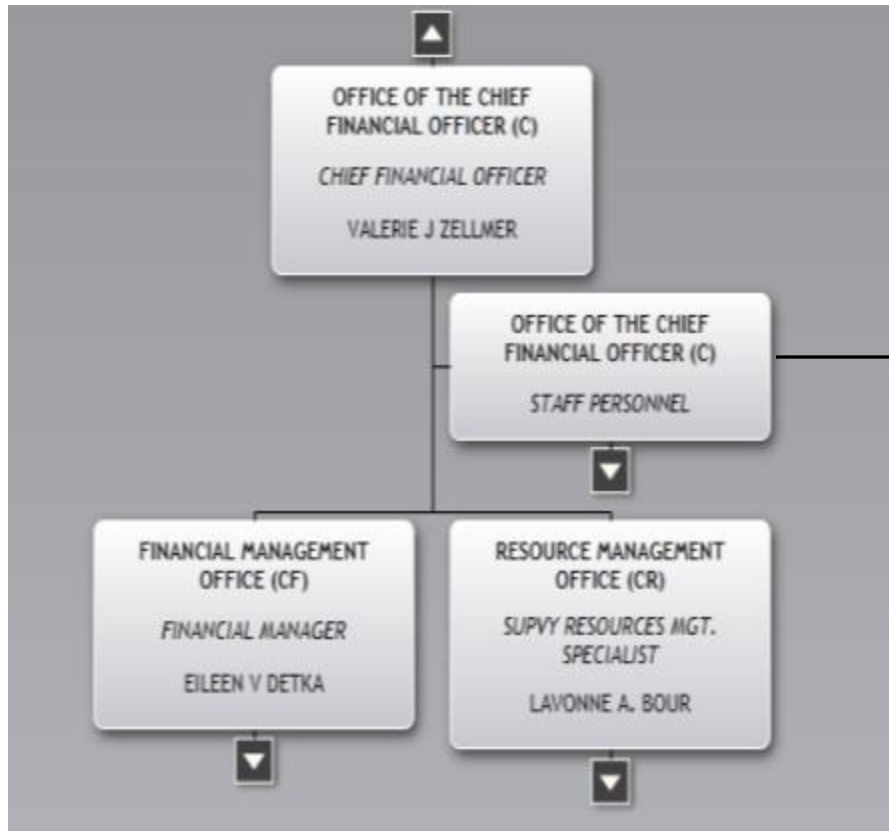
- Identify one to two key organizations for each major issue reported and bring recommendations back within two weeks for action in January

Current Flight Research Projects at NASA Dryden

From the Cost Estimator and
Financial Analysis Perspective

NASA Dryden Organization Chart

Cost Estimation & Analysis



Northrop Grumman “Partnership”



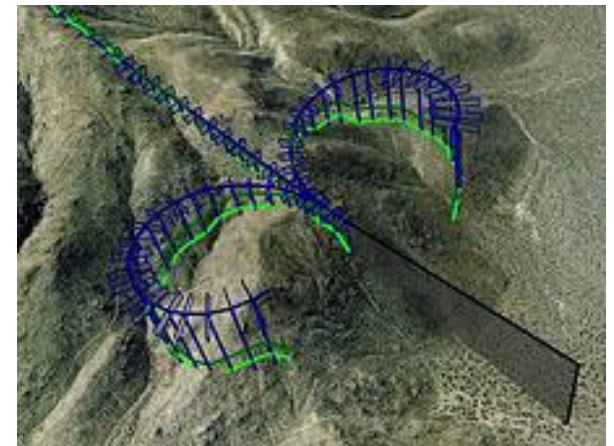
Boeing X-48 "Host"



Boeing Phantom – Eye “Host”



ACAT "Reimbursable"

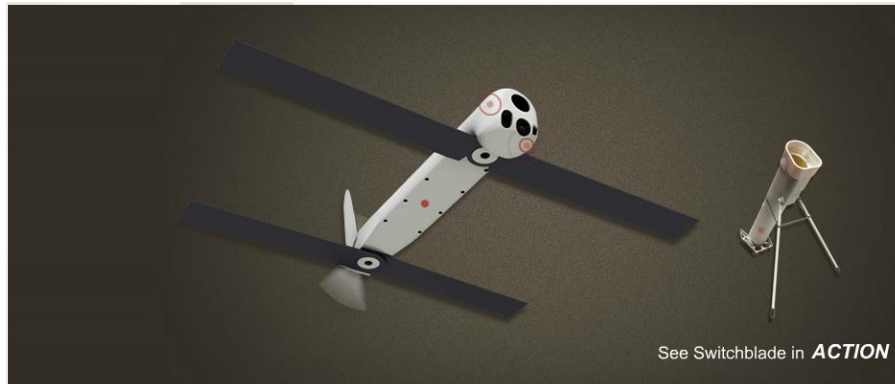




General Atomics MQ-9 “Reimbursable”



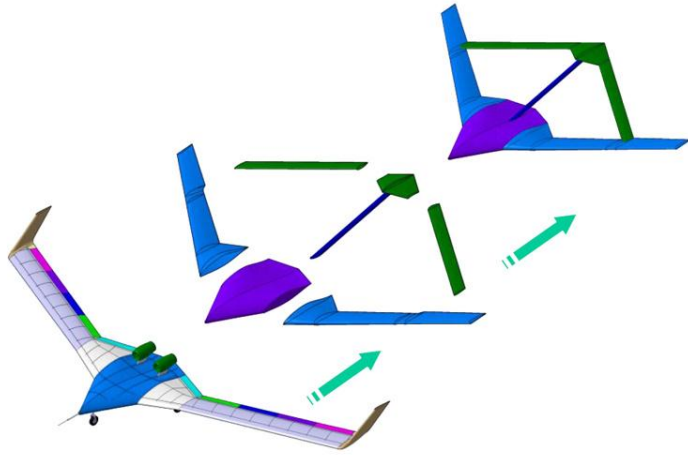
AeroVironment "Reimbursable"



Virgin Galactic "Reimbursable"



Lockheed X-56 NASA DFRC Project





http://www.youtube.com/watch?v=IOzQoaKAg_8&feature=player_detailpage





National Aeronautics and Space Administration

NASA Program – DFRC



UAS Integration in the NAS Project





Questions